



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO

TREASURER AND TAX COLLECTOR

August 8, 2006

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE MASTER AGREEMENT FOR
FINANCIAL ADVISOR SERVICES
(3-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the form of Master Agreement, attached hereto in substantially final form and incorporated by this reference, for the financial advisor services pool and authorize the Treasurer and Tax Collector to execute such agreements with Fieldman, Rolapp & Associates (Fieldman), Lamont Financial Services Corporation (Lamont), and Public Resource Advisory Group (PRAG), which shall collectively comprise the Treasurer and Tax Collector's Financial Advisor Pool (and hereinafter referred to as the "Financial Advisor Pool" or the "Firm") commencing upon execution following Board approval through June 30, 2007; and
2. Authorize the Treasurer and Tax Collector to execute amendments to modify the terms of the Scope of Services that do not materially alter the Master Agreement, and/or to add and/or change certain terms and conditions in the Master Agreement as required by the Board of Supervisors or Chief Administrative Officer, provided that County Counsel approval is obtained prior to execution of any such amendments and/or changes. --
3. Authorize the Treasurer and Tax Collector to execute future amendments to extend the Master Agreement commencing July 1, 2007, for four (4) one-year renewals, and six (6) month-to-month extensions at the sole option and discretion of the Treasurer and Tax Collector in accordance with the terms of the Master Agreement for a maximum renewal of four (4) years and six (6) months.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Treasurer and Tax Collector (TTC) created the financial advisor pool program in 1995 to assist in evaluating financial proposals, debt structures, and debt management relating to the County's debt management program by utilizing the services of three independent financial advisors.

During the course of a year, the TTC receives numerous proposals recommending a variety of borrowing options. While many of these may provide benefits to the County's debt management program, they often involve significant risks as well. The use of financial advisors has served the County well by providing independent financial analysis, validation of debt structures, and augmented technical expertise.

The current financial advisor pool Master Agreement expires on September 30, 2006.

Implementation of Strategic Plan Goals

Implementation of this Financial Advisor Pool will assist the TTC in meeting the County's Strategic Plan Goal of Fiscal Responsibility by providing independent financial analysis, validation of debt structures, augmented technical expertise and other types of projects in which a Firm's services are needed or have been requested.

FISCAL IMPACT/FINANCING

Services are used on an intermittent basis, with most engagements incorporated as a cost of issuance for the financing of specific projects approved by your Board. Engagements for special studies and other projects not related to a specific financing project will not exceed \$200,000 in any fiscal year. An appropriation of \$200,000 for this program has been included in TTC's Adopted Budget for Fiscal Year 2006-07.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Master Agreement attached, in substantially final form, contains the required provisions pertaining to compliance with the County's Jury Service Program, Child Support Program, Consideration of GAIN/GROW Participants for Employment, Recycled Bond Paper, the Safely Surrendered Baby Law, Termination for Non-adherence of County Lobbyist Ordinance, and Determination of Contractor Responsibility and Contractor Debarment. The Treasurer and Tax Collector will execute a separate agreement with each Firm with such additions, changes or corrections that, in his discretion, are in the best interests of the County and the TTC. The term of this financial advisor pool shall commence upon execution by the TTC following your Board approval which will authorize four (4) one-year renewals commencing July 1, 2007, and six (6) month-to-month extensions. The option to

exercise any renewal or extension shall be solely at the discretion of the TTC. The Firms will continue to be used on an as-needed rotational basis, matching the specific needs of the County with the best combination of skills and experience of the Firms. Furthermore, the provision for notification by Contractor when expenditures reach 75% of the Contract Sum has been excluded from the recommended Master Agreement.

The form of Master Agreement has been approved as to form by County Counsel.

There is no impact to County employees as these services supplement current resources and are intermittent in nature.

CONTRACTING PROCESS

In accordance with County contracting procedures and requirements, a Request for Statement of Qualifications (RFSQ) was issued and mailed to seventy-six (76) firms, which were identified in the Bond Buyer's Municipal Marketplace Directory Spring 2005, and listed on Attachment I. Additionally, the RFSQ was posted on the Los Angeles County On-Line Website (formerly known as the County Office of Small Business Countywide Website). Eleven (11) Statements of Qualification (SOQ) were received, four (4) of which were deemed non-responsive and eliminated from further consideration. The remaining seven (7) were evaluated and ranked. Fieldman, Lamont, and PRAG were ranked highest at the conclusion of the evaluation process. These SOQs were complete, detailed, and highly responsive to the RFSQ.

The recommended agreement is not a Proposition A agreement because of the extraordinary professional and technical nature of the services being provided. The Living Wage Program (County Code Chapter 2.201) does not apply to the recommended agreement. Minority and women owner/employee statistics for the seven (7) responding firms are shown in Attachment II. Following the completion of the review and analysis process, Fieldman, Lamont and PRAG were selected without regard to race, gender, color or creed.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The current Master Agreement for financial advisor services is due to expire on September 30, 2006. The recommended attached form of Master Agreement will enable the County to utilize the services of the recommended Firms.

The Honorable Board of Supervisors
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CONCLUSION

Instruct the Executive Officer of the Board of Supervisors to return one (1) adopted stamped Board letter to TTC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark J. Saladino", followed by a circled "for" in parentheses.

MARK J. SALADINO
Treasurer and Tax Collector

MJS:EVT:evt
FAS Board Letter FINAL 7-19-06

Attachments (3)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors